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E.O. 12958: DECL: 7/25/2016

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SUBJECT: FINANCE MINISTER ON MCC AND SADC

CLASSIFIED BY: June Carter Perry, Ambassador, EXEC , STATE.
REASON: 1.4 (b), (d)

¶1. (C) Ambassador met with Minister of Finance Thahane July 24 to advise him that the MCC Investment Committee had approved the GOL's proposal. However, a final compact could not be signed until there were full assurances that the Marriage Equity Act had passed guaranteeing married women full rights (access to business loans and the like).

¶2. (C) Minister Thahane said he realized that was the case and planned to brief the informal Cabinet section later that day. (We note that in response to our July 4 speech, the Minister of Foreign Affairs pledged before the large audience that Parliament would take up the Act in September.) Thahane reiterated the FOMIN's comments during our meeting and provided us a copy of the white paper upon which the legislation is to be based. I observed that with Lesotho's assumption of the SADC chairmanship, it would be looked to for leadership in this and other matters. The GOL's Speaker of the National Assembly was President of the SADC Parliamentary Forum and over 50 percent of those elected in Lesotho's 2005 local polls were women.

¶3. (SBU) Thahane acknowledged the importance of the matter and stated he would point out to the Cabinet the extensive progress made in obtaining the MCC's approval; it must not be jeopardized because of a traditional codification of inequality. He went on to lay out Lesotho's objectives as SADC chair:

-- Restructuring of the regional body including economic integration (Finance and Trade to be in the lead).

-- Reinforcement of Peace and Stability (Foreign Affairs and Defense (Prime Minister) in the lead).

-- Upgrading of infrastructure and services to include rationalization of pension funds, savings and investment funds (Finance).

-- Regionalization of agricultural policies with an emphasis on Food Security (Comment: the Minister said they hoped to use this as a lever to restore Zimbabwe's past, important role in this sector - Agriculture).

-- Regional HIV/AIDS strategies to be implemented through public/private partnerships.

¶4. (SBU) We responded that the goals Lesotho proposed to achieve during its tenure were impressive and we hoped to see SADC come to life as an effective regional organization that would deal with the situation in Zimbabwe. We agreed the needs were great, but regional cohesion and economic diversification would strengthen all member states. Thahane said that faced

with managing the SADC portfolio he had a full plate. He expects to be in Singapore for bank meetings in mid-September; expects to play a key role in Lesotho's 40th Anniversary (October 4) celebration -- which he predicted would run for several days; anticipates the MCC/CEO to visit o/a October 23 and to host a donors roundtable November 20-24.

15. (C) Comment: Although not a "politician," Thahane is the GOL's point person on many regional and international matters. He has shepherded the MCC process, supported us strongly in obtaining the Article 98 Agreement and is astute in prodding fellow Cabinet members toward policies that will benefit Lesotho. With his wife at the helm of Baylor's Center of Excellence in pediatric AIDS, Thahane also has his hand in the HIV/AIDS portfolio and has made specific recommendations about reorganizing the Ministry of Health.

16. (SBU) We will follow up with Minister of Foreign Affairs Moleleki concerning passage of the Marriage Equality Act and its relevance to a potential MCC compact. The FOMIN chairs the MCA Interministerial Committee, but it is the Minister of Finance who manages the process and who is assembling the core team.

PERRY